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BLUE MOUNTAIN DISTRIBUTION SYSTEM ANNUAL MEETING

MARCH 4, 2003

The annual meeting of the Blue Mountain Distribution System was called to order at 7:40 p.m. by Chairman Gary Halls. The first item of business was the reading of the minutes of the 2002 annual meeting by Mark Page. There were no corrections or additions to be made. A motion was made by Joe Barton, and seconded by Stephen Barton, to accept the minutes. The motion passed.

The next item of business was to review the 2002 Financial Statement. Mr. Sim indicated that as of January 1, 2002 there was \$737.57 in the Trust Account. Receipts during 2002 totaled \$1013.56. Regular assessments accounted for \$1000.00. The account earned \$13.56 in interest. Expenditures for the year totaled \$685.07. As of December 31, 2002, there was \$1066.06 in the Trust Account. A motion was made by Chet Johnson, and seconded by John Scorup, to accept the Financial Statement. The vote was unanimous.

The Commissioner's Report was the next item of business. Mr. Clarence Pehrson indicated that there was essentially no water delivered this year on the system. Francis Barton made a motion to accept the Commissioner's Report, and the motion was seconded by Clem Washburn. All present voted in the affirmative.

Mr. Halls indicated that the next item of business was the preparation of the budget for 2003. After a brief discussions, it was decided that the following budget would meet the anticipated needs of the system in 2003. This would include a salary of \$520.00, and \$16.20 for each day that the commissioner works on the system. As a result, the 2003 budget is as follows:

Commissioner's Salary	\$520.00
Contractual Services	\$640.00
Social Security	\$40.00
Workman's Compensation	\$10.00
State Engineer's Assessment	\$80.00
Total	\$1290.00

John Scorup made a motion to accept the budget, and set the assessment at \$1000.00. The motion was seconded by Joe Barton, and the vote was unanimous.

The assessment will be made as follows:

San Juan County Conservancy District 60%

Blue Mountain Distribution System
Annual Meeting
March 4, 2003

Blue Mountain Irrigation Company	10%
Gary Halls	10%
Monticello City	10%
Pioneer Ditch c/o Monticello City	10%

The next item of business was a review of the Commissioner services in 2003. The water users were pleased with Mr. Pehrson's work. It was noted that he is serving under a 4-year term.

Chairman Halls indicated that a committee should be appointed for 2003. A motion was made by Francis Barton, and seconded by Chet Johnson, that the same committee be retained for another year of service. All voted in the affirmative. The committee consists of the following individuals:

Gary Halls	Chairman
Bruce Adams	Vice Chairman
Chet Johnson	Pioneer Ditch
Ernest Sonderegger	Pioneer Ditch
Jack Redd	Spring Creek
Joseph Barton	Verdure Creek

It was noted that the snowpack at the Camp Jackson Snotel station is currently 74%.

The meeting adjourned at 8:20 p.m.

Those present included the following:

Gary Halls	Blue Mountain Irrigation Company
Joseph R. Barton	Verdure
Stephen Barton	Verdure
Chet Johnson	Pioneer Ditch
Francis Barton	Verdure
John Scorup	Carlisle and Blue Mountain
Clarence Pehrson	Commissioner
Clem Washburn	Blue Mountain
Gertrudys Adkins	Division of Water Rights - SLC
Lee Sim	Division of Water Rights - SLC
Mark Page	Division of Water Rights - Price